



INFORMATION GUIDE

CAR LINE COMPANIES AND AIR CARRIERS

What is a car line?

A car line is defined as any company other than a railroad company that owns or operates railroad cars through, in, or into the State of Nebraska.

What is an air carrier?

Air carrier is defined as any person, firm, partnership, corporation, association, etc., undertaking to engage in the transportation of persons or cargo for hire by aircraft.

What is an intrastate air carrier vs. an interstate air carrier?

Intrastate means the air carrier is engaged in transportation solely in Nebraska and whose flight equipment is based at only one airport within the state.

Interstate means the air carrier is engaged in transportation between or among states.

What is the statutory and regulation reference?

Car line Companies:

Nebraska Revised Statutes §§ 77-679 through 77-693.
Regulations: Title 350, Chapter 30.

Airlines:

Nebraska Revised Statutes §§ 77-1244 through 77-1250.
Regulations: Title 350, Chapter 30.

Who is responsible for assessing intrastate air carriers?

The assessor shall assess all intrastate air carriers that have situs in their county.

What property of car line companies and interstate air carrier's does the Property Tax Administrator assess?

The Property Tax Administrator is responsible for assessment of rail cars owned by car line companies and the flight equipment of interstate air carriers.

What is the assessment date?

January 1, 12:01 a.m.

What year of data is the current assessment year based on?

As of December 31 of the preceding year.

What are the filing dates?

On or before June 1st each year all car lines and air carriers shall furnish a complete report as set forth in Nebraska Revised Statutes §§ 77-680 or 77-681 to the Property Tax Administrator on prescribed forms.

Can filing date extensions be granted?

Upon written request, and for good cause shown, the Property Tax Administrator may allow up to a 30-day extension of time to file the required reports.

What is the penalty for failure to file or late filings?

The Property Tax Administrator may assess a penalty of \$100 per day, up to \$10,000 for failure or refusal to furnish requested information. Upon written request the Property Tax Administrator may waive the penalty in whole or in part for good cause shown.

What information is the car line company required to file with the Property Tax Administrator?

- The aggregate number of miles made, by each class of its cars in Nebraska during the preceding year ending December 31
- The aggregate number of miles made by each class of its cars system wide during the preceding year ending December 31
- Total number of each type of its cars
- The taxable value of its cars
- The number of its cars required to make the total mileage in this state.

What information is the air carrier required to file with the Property Tax Administrator?

- The number of arrivals/departures in Nebraska and the aggregate number of arrivals/departures system wide by each type of plane during the preceding year ending December 31
- The number of revenue tons in Nebraska and the aggregate number of revenue tons system wide by each type of plane during the preceding year ending December 31
- The number of originating revenue in Nebraska and the aggregate number of originating revenue system wide by each type of plane during the preceding year ending December 31
- Total number of each type of plane
- Original cost and additions.

If an air carrier has property other than flight equipment, how and where should that property be assessed?

The assessor should place all property other than flight equipment on the local tax list.

What verification is done to assure that all car line companies are being reported in Nebraska?

As of June 1 of each year, every railroad company operating in Nebraska is responsible for filing with the Property Tax Administrator a statement verified by affidavit showing the number of miles traveled by each class of cars of every car line company on their lines, branches, sidings, spurs, and warehouse tracks in this state during the preceding year. The Property Tax Administrator then compares the filings between the car lines and railroad's and researches any discrepancies.

What verification is done to assure that all air carriers are being reported in Nebraska?

The Property Tax Administrator confirms directly with airport authorities throughout the state regarding current carriers.

How are rail cars and flight equipment property valued?

Rail cars and flight equipment are tangible personal property and are subject to the Nebraska personal property tax. The recovery period is seven years.

How is the car line company's total taxable value allocated to Nebraska?

The allocation factor to Nebraska is based on miles traveled in Nebraska vs. miles traveled system wide. The Property Tax Administrator may consider time/speed studies presented by the car line companies. Time/speed studies shall be applicable three years. The use of time/speed studies may be extended beyond the three years if the Property Tax Administrator determines that the time/speed study still reflects traffic patterns in the state.

The Property Tax Administrator can alter the allocation factors if they do not result in a fair and reasonable allocation of value.

What is a time/speed study for carline companies?

In essence, the study includes the departure and arrival time between two determined points and the total miles traveled. From this data, the average miles per hour, per day and consequently per year are determined for each car type. The yearly miles are then divided by the company's reported state total miles to convert them to the number of cars to be factored from the company's total cars.

How is an air carrier's taxable value allocated to Nebraska?

The allocation factor to Nebraska is based on the average of three factors:

- 1) Arrivals & departures
- 2) Revenue tons
- 3) Originating revenue.

The Property Tax Administrator can alter the allocation if the items listed above do not result in a fair and reasonable allocation of value.

Who is responsible for creating the tax statements for car line companies and air carriers?

The Property Tax Administrator must send out a tax due statement on or before January 31 following the year of assessment.

What is the tax rate applied to these values?

The Property Tax Administrator determines the state average tax rate on or before January 15 each year. The state average tax rate is applied to the taxable value of car line companies and air carriers to determine the total taxes due.

How is the car line tax distributed to the counties?

The car line tax is distributed among the taxing subdivisions in proportion to all railroad taxes levied by taxing subdivisions.

How is the air carrier tax distributed to the counties?

The air carrier tax is distributed to the credit of the county general fund proportionate to the amount of each county's total property taxes levied compared to the total property taxes levied in the state.

When are the taxes due?

Car line and airline taxes are due and payable January 31. One half of the property taxes become delinquent on March 1 and the second half becomes delinquent on July 1.

Who is responsible for collecting the tax?

The Property Tax Administrator collects the tax, retains a three percent collection fee, and remits the balance to the State Treasurer for distribution to the counties.

What if taxes and interest are not paid on July 1?

The Property Tax Administrator can collect the tax by distress and sale of any property belonging to the delinquent car line and airline. A lien and distress warrant will be issued by the Property Tax Administrator against the company's money and credit in favor of the State of Nebraska until the liability is paid or settled.

May a company appeal the valuation or method of allocation established by the Property Tax Administrator?

Yes. On or before February 15, an air carrier or car line Company may file a protest with the Property Tax Administrator.

Will the Property Tax Administrator issue an order on appeals filed?

Yes. The Property Tax Administrator shall issue a written order on the appeals. A copy will be mailed to the companies within seven days after the date of the order.

May the order of the Property Tax Administrator be appealed?

Yes. Within 30 days after the date of the Property Tax Administrator's order, a company may appeal to the Tax Equalization and Review Commission.

For Further Information Contact:

**State of Nebraska
Department of
Property Assessment and Taxation
1033 "O" Street, Suite 600
Lincoln, NE 68508
(402) 471-5984
Fax: (402) 471-5993
Website: <http://pat.ne.gov>**